QUEEN CHARLOTTE'S ISLAND.

FURTHER RETURN to an Address of the Honourable The House of Commons, dated 16 June 1853;—*for*,

"COPIES or EXTRACTS of CORRESPONDENCE relative to the DISCOVERY of GOLD at *Queen Charlotte's Island*."

Colonial Office,
8 August 1853.

FREDERICK PEEL.

(*Mr. Peel.*)

Ordered, by The House of Commons, *to be Printed*,
9 *August* 1853.

SCHEDULE.

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CORRESPONDENCE relative to the DISCOVERY of GOLD in *Queen Charlotte's Island.*

— No. 1. —

(No. 1.)

No. 1.
Governor Douglas to the Duke of Newcastle.
11 April 1853.

COPY of a DESPATCH from Governor *Douglas* to His Grace the Duke of *Newcastle.*

Victoria, Vancouver's Island, 11 April 1853.

My Lord Duke, (Received, 7 July 1853.)

I HAVE the honour to transmit herewith copy of a proclamation which I lately caused to be issued at this place, declaring the rights of the Crown in respect to gold found in its natural place of deposit within the limits of Queen Charlotte's Island, and forbidding all persons to dig or disturb the soil in search of gold until authorised in that behalf by Her Majesty's Colonial Government; and also a copy of the regulations since published, setting forth the terms on which licences will be issued to legalise the search for gold, on payment of a reasonable fee, the conditions being nearly similar to those prescribed by the Governor-general of New South Wales on the discovery of gold in that colony. 26 March. 7 April.

The most important difference is a reduction of 20 *s.* in the licence fee, which I have fixed at 10 *s.* a month.

The reasons which led me to consider the expediency of that reduction were, in the first place, the fact that the true beds of gold on Queen Charlotte's Island are yet unknown, and the returns have been consequently small and uncertain, and obtained at much labour and expense; and secondly, because there will be great difficulty in collecting the dues against the feeling of the miners, and it is therefore advisable to make them as moderate in amount and as easy as possible in the mode of payment, at least until mining becomes a remunerative employment, and there is proof of the extent and productiveness of the gold deposits, when the fee may be gradually increased, in such a manner, however, as not to be higher than the persons engaged in mining can readily pay.

I hope that those measures may meet with the approval of Her Majesty's Government, and that I will soon be favoured with your instructions on such points as your Grace may consider necessary.

I have, &c.
(signed) *James Douglas.*

Enclosure 1, in No. 1.

PROCLAMATION

By his Excellency *James Douglas*, Esq., Governor of Vancouver's Island, and Lieutenant-Governor of Queen Charlotte's Island and its Dependencies, &c. &c. &c. Encl. 1, in No. 1.

WHEREAS by law all mines of gold, and all gold in its natural place of deposit within the colony of Queen Charlotte's Island, whether on the lands of the Queen or of any of Her Majesty's subjects, belong to the Crown:

And whereas information has been received by the Government that gold exists upon and in the soil of the colony, and that certain persons have commenced, or are about to commence, searching and digging for the same for their own use, without leave or other authority from Her Majesty: Now I, James Douglas, esquire, the Governor aforesaid, on behalf of Her Majesty, do hereby publicly notify and declare that all persons who shall take from any lands within the said colony any gold, metal, or ore containing gold, or who shall dig for and disturb the soil in search of such gold, metal, or ore, without having been duly authorised in that behalf by Her Majesty's Colonial Government, will be prosecuted both criminally

and civilly, as the law allows. And I further notify and declare, that such regulations as may be found expedient will be prepared and published, setting forth the terms on which licences will be issued for this purpose, on the payment of a reasonable fee.

Given under my hand and seal at the Government Office, Victoria, this 26th day of March, in the year of our Lord One thousand Eight hundred and Fifty-three, and in the seventeenth year of Her Majesty's reign.

By his Excellency's command.

James Douglas, Secretary.

GOD SAVE THE QUEEN!

Enclosure 2, in No. 1.

Government House, Victoria, 7 April 1853.

Encl. 2, in No. 1.

WITH refere. o the proclamation issued on the 26th March, declaring the rights of the Crown in respect to gold found in its natural state of deposit within the Islands of Queen Charlotte, his Excellency the Lieutenant-governor has been pleased to establish the following provisional regulations, under which licences may be obtained to dig, search for, and remove the same:—

1. From and after the first day of April no person will be permitted to dig, search for, or remove gold on or from any lands, public or private, without first taking out and paying for a licence in the form annexed.

2. For the present, and pending further proof of the extent and productiveness of the gold deposits, the licence fee has been fixed at 10 *s.* per month, to be paid in advance; but it is to be understood that the rate is subject to future adjustment as circumstances may render expedient.

3. The licences can be obtained at Victoria, Vancouver's Island, until a commissioner is appointed by his Excellency the Lieutenant-governor to carry those regulations into effect, and who will be authorised to receive the fee payable thereon.

4. Rules adjusting the extent and position of land to be covered by each licence, and for the prevention of confusion, and the interference of one licence with another, will be regulated by the said commissioner.

James Douglas.

By his Excellency's command.

Richard Golledge.

— No. 2. —

No. 2.
The Duke of Newcastle to Governor Douglas.
16 July 1853.

(No. 5.)

COPY of a DESPATCH from His Grace the Duke of *Newcastle* to Governor *Douglas*.

Sir, Downing-street, 16 July 1853.

I HAVE received your despatch (No. 1.) of the 11th April, transmitting the copy of a proclamation which had been issued by you, declaring the rights of the Crown with respect to gold found in Queen Charlotte's Islands; and also copy of the regulations afterwards published, setting forth the terms and conditions on which licences would be granted by the local government to search and dig for gold in those islands.

I have to signify to you my approval of the terms of this proclamation, and of the regulations you have issued on this subject.

I am, &c.
(signed) *Newcastle.*

— No. 3. —

No. 3.
F. Peel, Esq. to Rich. Taylor, Esq.
20 July 1853.

COPY of a LETTER from *F. Peel*, Esq., to *Richard Taylor*, Esq.

Sir, Downing-street, 20 July 1853.

I AM directed by the Duke of Newcastle to inform you, that your application for a lease of mining land in Queen Charlotte's Island, on the part of Mr. A. Easterby, and certain gentlemen associated with him, has been a long time under his consideration, because he felt bound not to decide upon it without taking into view the general questions raised for the decision of Her Majesty's Government by the gold discoveries in that quarter.

2. I am,

2. I am, however, now to inform you, that his Grace must decline to grant the lease applied for.

3. I am to state, in the first instance, that although his Grace by no means regards priority of discovery in such a case as entitling to a grant of this description, nor, on the other hand, would be disposed to refuse it on the mere ground that such priority was not established, yet as it is advanced as a claim in the present case, he must observe, that it appears from the accounts before him, that the inlet specified on the part of Mr. Easterby was visited by one or more vessels of the Hudson's Bay Company in the summer of 1851. It appears also that a quartz rock containing gold, which, as far as the general description given by Mr. Rooney enables it to be identified, must be the same as that observed by that gentleman, was discovered in one of those visits in August that year.

4. But I am to add, that since your application, intelligence has been received of the issuing, by the Governor of Vancouver's Island, of a proclamation, authorising the search for gold in Queen Charlotte's Island, on terms similar to those in use in the Australian colonies.

This proclamation Her Majesty's Government has sanctioned, considering that, on the whole, this system is likely to be, for the present, the most expedient, if the discovery should turn out more valuable, and the danger to be apprehended from the natives less serious than recent accounts would lead them to suppose; and they do not consider that it could operate conveniently together with that of leases of the gold producing land.

I have, &c.
(signed) *Frederick Peel.*

— No. 4. —

No. 4.
Memorandum.

MEMORANDUM of Proceedings of the Hudson's Bay Company with respect to the Searching for Gold in *Queen Charlotte's Island.*

On the 17th August 1850, Mr. Douglas writes that Mr. Chief Factor Work had reported to him, that the natives of Queen Charlotte's Island had discovered gold on the west side of the island, near Englefield Bay and Cape Henry, and that an Indian had brought a specimen to Fort Simpson. Mr. Work dispatched Pierre Legarré and a party of Indians to the place in question, with instructions to examine the gold district.

On the 24th February 1851, Mr. Douglas writes that Mr. Work reported that Pierre Legarré had returned without having succeeded in reaching the gold district, owing to the jealousy of two influential chiefs, who prevented him. He discovered that there is a clear passage from Skiddigat on the east to Englefield Bay, on the west coast of the island.

Mr. Work had been unable to visit Queen Charlotte's Island on account of the stormy weather, but had received from Indians two pieces of gold, nearly pure, weighing 4 ½ and 1 ½ ozs., and a piece of auriferous quartz, and he proposed to send the steamer "Beaver" to the gold district about the end of April, when the weather is expected to moderate.

On the 6th August, Mr. Work reports as follows:—

"Dear sir, "Fort Simpson, 6 August 1851.

"Deeming it of the utmost importance that all the information that could be collected relative to the gold mines in Queen Charlotte's Island should be communicated to the Honourable Board of Directors as soon as possible, and the return of the "Una" being the only conveyance to Victoria before the steamer goes down in the Fall, I determined risking a voyage in a canoe, and accordingly started on the 13th May, with a crew of six men, all that could be well spared from the fort, four Haidai half-breed lads and two Indians; arrived safe at the island, crossed then by Skiddigat Passage, Cartwright Sound; proceeded along the west shore to Englefield Bay, at the south end of which the mine is situated; remained two days examining the place, and made four blasts in the rocks, and returned here on the 29th, after an absence of 17 days. We narrowly

escaped being swamped, and all lost, while passing along the open coast from Cartwright's Sound to the mine.

"The canoe not being suitable or safe to examine the access to the harbour, the steamer "Beaver," having returned from the north, was, in conformity to your instructions to Mr. Chief Trader M'Neill, sent off for that purpose with Mr. C. T. M'Neill and five additional hands on board to carry out your instructions. He took the Skiddigat Passage, but when about two-thirds across, the water was found shallow, and the channel narrow and intricate for about two miles, so that it was deemed unsafe and imprudent to proceed; and they returned here the 27th June, being absent 15 days. It was unfortunately neap tides; had it been spring tides they would have got through.

"In order that the access to the harbour might be ascertained, and no delay arise should any vessel with a party be sent there, the "Una," Captain Mitchell, sailed from Fort Simpson for that purpose on the 16th July, with Mr. Chief Trader M'Neill and myself and eight additional hands to strengthen the crew, and passed round the north end of the island. Having unfavourable winds, we only got into the harbour the fourth day, when we remained five days, part of the time detained by calms and head-winds. During this time, Captain Mitchell sounded the harbour, and another one close by it; and I further examined the mine, and ascended about two-thirds the height of the mountain, being then stopped by rocks difficult to ascend. We then towed out of the harbour, passed round the south end of the island with baffling light winds, making slow progress, and returned here 3d instant, being absent 18 days.

"Where the gold is found extends 16 yards along the beach, and six yards from above high-water mark, or rather down into the sea. A black or grey rock all along the shore, and also up on the mountain, with here and there a little quartz; at the mine a vein of quartz, eight to 10 inches thick, runs through a point of the grey rock. From the end of this vein, a little ore has been obtained; some has been also found in the grey rock; but the most of what the Indians have got was found among the loose stones, and in the open seams of the grey rock, mixed with loose sand and gravel, and the largest pieces farthest down below high-water mark. I made two blasts, one at each end of [illegible] two blasts in the grey rock, but found nothing but small specks of gold [illegible]r. I send specimens of the rocks; also some pieces of the rock high up in [illegible]ountain. The appearance about the mine indicates that a slip from the mountain has taken place at some former period. Most of the gold found appears to be travelled. My belief is, that there is more where that came from; it could not have been thrown up from the sea.

"Sixty and a half ounces of ore are now forwarded; besides which the Indians had two pieces that could not be obtained from them, but at an enormous price; the larger weighed 1 lb. 11 oz., the other being about 5 oz., both nearly pure. These, with what were sent formerly, 6 oz. or 7 oz., will make altogether 99 oz., found in the small place above stated.

"The country is covered with wood, very rugged; the hills, estimated at 700 to 800 feet in height, rise abruptly from the water-side all round the harbour. A suitable site for an establishment would be difficult to find.

"The harbour is easy of access; but the swell, depth of water, and scarcity of anchorage require a free wind to go in. A sketch of the harbour by Mr. Nutt, second officer of the "Una," and a sketch of Skiddigat's Passage by Captain Stuart, will give you a good idea of these places; and Mr. Chief Trader M'Neill will be able to explain it.

"This is all the information we could collect. Should the company decide on forming an establishment to profit by the gold, which it is firmly believed is to be found in that region, a well-manned vessel, together with a sufficient strong exploring party, say not fewer than 15 or 20 men, would be required, the vessel to remain at the most suitable points for the land party to fall back on. It might probably require two or three months, perhaps more time, to effect the object.

"In the event of an establishment being formed, some potatoes and supplies of fish might be obtained from the Indians; there are no other resources, so that all supplies will have to be imported.

"The Indians of Kith Kait village, entrance of Cartwright's Sound, and of Cassuwan village, north side of Englefield Bay, I think are not over from 100 to 150 men in number. They are savage marauders, constantly committing depredations

depredations on their neighbours; they have had less intercourse with the whites, and are not to be trusted, but ought to be strictly guarded against. When I went there with the canoe, they were very friendly, showed me all about the mine, and gave me every information in their power; in fact, gave me their country; but when they saw that our blasting and quarrying the rocks did not produce gold as they expected, they felt much disappointed, and manifested a less friendly spirit; so much so, that I was glad to get away from them my small inefficient party.

"They were very friendly afterwards, both when the steamer and "Una" went to their country. Should a fort be established at the gold mine, not only these two tribes, but several others on the island would frequent, and probably reside at it.

"All the way from near North Island, Point North, to Cape St. James, along the west shore of the island, it is very rugged and mountainous, particularly so near Cape Henry, both north and south, about where the gold is found. From Cape St. James, along the east shore to near Skiddigat, east entrance of Cartwright's Sound, continuing along the shore to Point Invisible, Point Rose, the country is level, wooded, with clay and sandy cliffs in many places along the shore. I was ashore here at different places, and examined the soil, which appeared excellent; it is composed of black vegetable mould on the surface, succeeded by a considerable depth of marly clay; the timber is of considerable size. When the Indians resided on this part of the island, they raised plenty of very fine potatoes; so they report. From Point Invisible, along the north end of the island to North Island, the country, viewed from the sea, has the same appearance as that between Skiddigats and Point Invisible; and the Indians report the soil equally as good for producing potatoes, the only crops they grow.

"There is no harbour for a vessel or even for a boat, except to beach her, all the way from Skiddigats to Point Invisible; but there is anchorage some distance from the shore all along the way to North Island.

"The appearance of many inlets and bays along the west shore from North Island to Cape St. James, and from thence along the east shore to Skiddigats, as viewed from the sea, indicates that harbours may be found in different places.

"When I went with the canoe I intended to have gone all round the island, but the rough weather rendered it too dangerous to make the attempt.

"From the description the Indians gave of the place where they found the gold, I was under the impression that, even with the slender means we possessed, we could blast the rock, and quarry out the stones containing gold, to at least ballast, if not load a vessel. In this hope I was disappointed.

"I am, &c.

"James Douglas, Esq." (signed) *John Work.*

On the 6th October Mr. Douglas dispatched the "Una," Captain Mitchell, with Chief Trader M'Neill and 11 men, who were to pass the winter in Queen Charlotte's Island, and explore the interior. Mr. M'Neill made the following report of his operations at Mitchell's Harbour, Queen Charlotte's Island:—

"Sir, "Fort Simpson, 20 November 1851.

AFTER leaving Victoria I proceeded with the "Una" to fulfil your instructions of the 4th October 1851. We had a fine run to Queen Charlotte's Island of four days, after which a gale of wind came on which detained us off the place, Cape Henry, eight days, consequently we did not anchor in Mitchell's Harbour until the 20th October.

"On the second day after our arrival we commenced blasting the rock at the old place. We commenced in a vein of quartz, and were very successful; the rock proved to be rich with gold, as you will see by the specimens now forwarded by Dr. Kennedy. We followed the vein, and found it deeply impregnated with gold. The vein seems to take the direction up the mountain; in fact, our men were half way to the top, say 300 feet above the water, and found quartz rock, a specimen of which I now send you. In my opinion gold will be found in many places hereafter on the west side of the island, as quartz rock is to be found in every direction. We found it in four different places in Mitchell's

Harbour, but had no time to examine it. I am sorry to inform you that we were obliged to leave off blasting, and quit the place for Fort Simpson, on account of the annoyance we experienced from the natives. They arrived in large numbers, say 30 canoes, and were much pleased to see us on our first arrival. When they saw us blasting and turning out the gold in such large quantities, they became excited and commenced depredations on us, stealing the tools, and taking at least one-half of the gold that was thrown out by the blast. They would lie concealed until the report was heard, and then make a rush for the gold; a regular scramble between them and our men would take place; they would take our men by the legs, and hold them away from the gold. Some blows were struck on these occasions. The Indians drew their knives on our men often. The men who were at work at the vein became completely tired and disgusted at their proceedings, and came to me on three different occasions and told me that they would not remain any longer to work the gold; that their time was lost to them, as the natives took one-half of the gold thrown out by the blast, and blood would be shed if they continued to work at the digging; that our force was not strong or large enough to work and fight also. They were aware they could not work on shore after hostility had commenced, therefore I made up my mind to leave the place, and proceed to this place.

"The natives were very jealous of us when they saw that we could obtain gold by blasting; they had no idea that so much could be found below the surface; they said that it was not good that we should take all the gold away; if we did so, that they would not have anything to trade with other vessels should any arrive. In fact, they told us to be off. The chiefs have no power over the lower orders, and of course cannot prevent them from plundering or committing any act of violence on strangers. I will refer you to Mr. Greggor for information regarding the vein, &c., at the diggings, as he seems to have a good idea of the rock, and how the work should be carried on; he has behaved well, and was very zealous at his work.

"The men said they should go again in the spring, if an expedition properly fitted should start for working the gold in Queen Charlotte's Island. In my opinion, should another expedition go to Queen Charlotte's Island, a force of at least 80 men would be required, with two officers to attend the land party; the ship also should have three officers besides the captain, which I can prove by experience during our late visit to the gold district. The ship's crew, as well as the land party, should go on shares of the gold that may be collected, as it would prevent any one from trading gold; we had considerable trouble during our stay at the island, to prevent the people from trading the ore. The natives brought a quantity of gold to me, which I traded, and now forward it together with that which we obtained by blasting ourselves.

"Very little, if any, gold will be obtained in Queen Charlotte's Island, except by blasting. It appears to me, that some of the gold I traded was obtained in some other place than that which we were at. They, however, said that they had discovered gold in no other place than in Mitchell's Harbour; this report I much doubt, as the lumps are solid, and different from any other that we found at the place we were at work on.

"We have discovered, and proved by this voyage, that gold is to be found in quantities at Mitchell's Harbour alone to pay an expedition to go there and work it. I had no opportunity of examining the country much, as we remained but 15 days, during which time I was occupied with the Indians, as no one on board except myself could speak to them. We had had some boisterous weather during the time also. I saw no place where we could build a fort anywhere near the diggings. The shores near the sea and harbours are bold, steep rocks down to the water's edge.

"Provisions will be found scarce at Mitchell's Harbour; no deer on the island, and fish appear to be very scarce, as they cannot catch them on the outside of the island, except during a calm, or a north-east wind. Potatoes can be had in large quantities from the Skiddigats tribe, who reside on the east side of the island, but can reach the diggings in two days travel in the summer season.

"Should a fort be built, or a ship remain at the diggings for a length of time, a large number of Indians would collect and reside near at hand, and give annoyance. Therefore, a large force of men would be required for protection,

and

and to work the gold; a person acquainted with the Indians should head the expedition, and have an interpreter. The natives on the west or outside of the island are great marauders, and prey on distant tribes, take many prisoners, and make slaves of them.

"I hope you will be satisfied with the reasons I have given for leaving the diggings, and not remaining there so long as you wished. The voyage, however, has done some good; we have ascertained that gold is to be found by blasting to pay for working it.

"The best or purest gold is to be found deep down in the rock; we, however, had no time or chance to get at it, as we were obliged to leave, as stated before.

"I remain, &c.

"James Douglas, Esq." (signed) "*W. H. M'Neill.*"

Mr. Douglas writes on the 24th November 1851, that the "Exact," an American schooner arrived at Victoria on the 23d November 1851, *en route* for Queen Charlotte's Island, with 32 passengers, all Americans, and on the 28th December states, that the American sloop "Georgiana" was lately wrecked on Queen Charlotte's Island, with 22 American gold hunters on board; that the natives plundered the people, but spared their lives, and that an American vessel had sailed from Nisqually to rescue them from the Indians, at the expense of the United States.

Another American vessel, the "Damanscove," arrived at Mitchell's Harbour, but the sight of the Indians frightened them off, and no one landed.

On the 18th March 1852, Mr. Douglas writes, that he is fitting out an expedition to Queen Charlotte's Island to go in the brigantine "Recovery," consisting of five officers and 40 men, under charge of Chief Trader Kennedy, with the following instructions:

"Dear Sir, "Fort Victoria, 18 March 1852.

"The objects for which the expedition, placed by the Board of Management under your command, has been fitted out, have been so frequently and closely discussed in our personal conferences, that it is merely necessary to remark here, that those objects are all connected with the exploration of Queen Charlotte's Island for the present purpose of gold digging, and the ultimate object of establishing a commercial post, when the situation best adapted for that purpose has been ascertained.

"The expedition consists of the brigantine "Recovery," 42 landsmen and seamen, making, with the officers, a total force of 45 persons.

"You will receive herewith a copy of the agreement entered into with the men, which, you will observe, gives you a wide jurisdiction, and full power to regulate all matters connected with the security and good government of the party.

"The principal difficulty apprehended in the present expedition is the opposition of the natives, who being averse to the working of the mines will throw every possible obstacle in your way.

"The first object to which we think your attention should be directed after your arrival in Mitchell Harbour, is a friendly arrangement with the natives for working the mine, as the policy of the company and the voice of humanity are equally enlisted in behalf of conciliatory measures. We therefore beg to impress upon your mind our earnest wish that all your intercourse with the natives should be marked by a spirit of kindness and forbearance, and that possession of the mines should be secured without bloodshed.

"Among the various plans suggested by our experience of Indian character, there is none that holds out a greater prospect of success than the following, which is briefly as follows:—

"The Indians of Gold Harbour having repeatedly, both to Mr. Work and yourself, agreed to surrender the district about Gold Harbour into our hands for the purpose of building a trading post, you will accept the surrender on those terms, in addition to a reasonable amount of compensation by way of purchase-money. That being effected, let a strong breastwork of rough logs be thrown up around the mine, and warn the Indians that they are not to enter the enclosure without leave. Sentinels should be placed in sufficient numbers to enforce obedience and to keep the Indians from trespassing. Under the protection

tection of the ship, which may be moored within 30 yards of the mine, and the enclosure together, the miners may pursue their labours without danger or molestation, and the Indians, seeing the strength of your position, will be restrained from further aggression. Such is an outline of our plans, and it is left to your own good judgment to carry it out in the manner circumstances may render advisable.

"The force at your disposal must necessarily be divided into several parties, some being required to remain on board the ship, others as sentinels on shore, and the remainder will be disposable for mining, which we propose should be carried on in the following manner:—The vein of gold, about 80 feet long, will be divided into sections of eight or ten feet, and one such section be given to two men, who will drill the holes under the directions of Mr. Greggor, who is engaged specially to superintend the mining department, and will charge and set off all the blasts, as a precaution against accidents and loss of time arising from the awkwardness of inexperienced hands.

"Should any other party be employed on the vein when you reach Gold Harbour, you will require them to remove from the spot, as the place belongs to the Hudson's Bay Company by discovery and prior occupation, as well as by Her Majesty's exclusive licence of trade granted to the company.

"You may also inform the parties, if Americans, that British ships of war are soon expected, and that they run the risk of being seized and their property confiscated if found on any part of the British coast.

"The vessel is victualled for six months, and disposable for that period; she will either be relieved by the "Mary Dare," or receive a supply of stores in the month of July next, and must on no account leave the coast before the middle of September, should the "Mary Dare" not arrive there sooner.

"Should the gold vein in Mitchell Harbour be exhausted at any time before the close of the voyage, your researches should be extended to other parts of the coast, as it is not probable that gold exists in one place only. Douglas Harbour is mentioned as a promising place, both from the character of the rocks and its proximity to Mitchell's Harbour.

"It has been remarked that the veins of auriferous quartz in California invariably run from S. S. E. to N. N. W., a circumstance worthy of notice, as it may be of service in your researches on Queen Charlotte's Island.

"You are so well acquainted with the nature of the service on the coast, and of the great advantages resulting from obedience and subordination, that we shall leave such matters to yourself, simply remarking that proper rules and regulations for the government of the party should be established as soon as possible, the men being bound by their agreement not only to obey all orders and regulations, but to assist in putting the same in force.

"Every man should have his particular work assigned to him, and should be employed in the department of the work where his services will be most useful.

"With reference to the agreement and other documents herewith, and wishing you every success,

"I remain, &c.

"John Kennedy, Esq." (signed) "*James Douglas.*"

Mr. Douglas observes, "Chief Trader Kennedy's personal knowledge of the Indians, and the influence he has acquired over their minds by a long series of good offices, admirably qualifies him for the work, and will be of the utmost advantage to the expedition, as conciliating and tending to prevent fatal affrays with the natives, which are at once contrary to our general policy, and distasteful to the Governor and committee.

"The vessel is victualled for six months, and further supplies of stores and provisions will be sent on, from time to time, as required, it being our intention to keep a party constantly on the spot until other means are taken to occupy the country.

"There not being time to make out by this mail a copy of my report to the Governor and Council of the 16th instant, I beg to refer you to the following extract from that communication, which fully explains our views and plans in regard to Queen Charlotte's Island.

"'Not being prepared at present to build an establishment on Queen Charlotte's Island, from want of the proper description of men and of efficient officers to conduct them, and it being moreover not considered advisable to undertake

so important a measure until we have acquired a more complete knowledge of the geological structure and auriferous deposits of the island, and have thereby ascertained, beyond the risk of future disappointment, the most eligible site for the establishment, both as respects the mining or purchase of gold, and the convenience of general trade, we think it advisable to defer establishing a post until we are in a position to give their due weight to all these considerations.

"'In reference to that measure, I may remark that the shores of the sea coast about and in Mitchell's Harbour, according to Captain M'Neill's report, consist of lofty precipitous rocks, rising from the water's edge, and offer no practicable site for a trading post. According to the same authority provisions are scarce, there being no deer in the country, and but scanty supplies of fish; the only kind of food we could depend on procuring in any quantities, being potatoes from the natives inhabiting Cartwright's Sound, so that nearly all the provisions for the establishment will have to be imported. Chief Factor Work concurs in opinion with the report just quoted, as to the ineligibility of the ground about Mitchell's Harbour for an establishment, and the scarcity of provisions in the country generally, and moreover adds that the west coast of the island, throughout its whole extent, is very rugged and mountainous, as well as the east coast from Cape St. James to Cartwright's Sound, from whence to Point Rose and the north shore to North Island, the country is level, with a good quality of soil, consisting of black vegetable mould overlaying a fine loamy sub-soil. There is no clear land in the island, the whole surface being covered with pine timber of large size.

"'Good harbours have been discovered on both sides of the island, and there are many bays and inlets which have not been examined.

"'From these accounts the east coast, north of Cartwright's Sound, appears the most eligible for a trading post, so far as regards the country, soil, and climate; but on that side it would be inconveniently distant from the only known gold district, and therefore highly objectionable; but should gold hereafter be discovered in equal abundance on the east side, as is even now reported to be the case, though in doubtful authority, the advantages would be greatly in favour of that part of the island.

"'In the meantime, until these points are cleared up, we propose, as before stated, to employ the "Recovery" in protecting the parties at the mines, and attending to the trade of Queen Charlotte's Island. For that service she will be quite as efficient as a post on shore, and in some respects, as being a movable establishment, more convenient, to say nothing of the advantage of having all hands disposable for mining, instead of employing them in building.'"

Mr. Douglas also mentions that the "Exact" had returned from Queen Charlotte's Island, having being driven off by the natives from Mitchell's Harbour, and the 32 people in her came away empty handed.

Mr. Douglas writes on the 18th April 1852, that the American brig "Damanscove" had arrived at Victoria, having been beaten off Queen Charlotte's Island by the natives, whose daring and power they represent as being very great. Mr. Douglas observes, "In our case we trust for success as much to tact and management as to physical force, which is necessary for its imposing effect, but should never be used in establishing friendly relations with Indians, except in self-defence."

On the 12th July 1852, Mr. Douglas mentions the receipt of letters from Mr. Kennedy to the 21st June. He had found gold, but in such small quantities as not to pay for working. The officers and men were all dispirited at the want of success, and the "Recovery" was in sole occupation of the island, all the American vessels having gone off in disgust.

Under date 23d August 1852, Mr. Douglas reports the arrival of Mr. Kennedy at Victoria, who reported that the expedition had been very unproductive; they had found no gold anywhere, but at the rock at Mitchell's Harbour, which vein he soon exhausted. He then commenced exploring on the coast, and in the interior of the island, but made no remunerative discovery. Traces of gold were found in several of the quartz veins, but on blasting the rock they disappeared.

Operations were then resumed in Mitchell's Harbour, but without success. Douglas Harbour was examined with a like result, and the men became dispirited, and Mr. Kennedy determined to come away. The total loss to the

company on the adventure amounts to 943 *l.* 3 *s.* 11 *d.* The men, who were engaged on shares, also lost their time. The value of the ore collected amounts to about 90 *l.*

On the 26th August 1852, Mr. Douglas reports that the "Susan Sturges," an American brig, had taken on board a cargo of spars cut on Queen Charlotte's Island, a thing the Americans would not allow on their territory, having seized and condemned Brotchie's ship for doing the same thing.

Mr. Douglas reports on the 5th October 1852, that the American brig "Eagle" was wrecked on Vancouver's Island, and that the natives took possession of the wreck and cargo, consisting of dry goods and spirits for trade.

Mr. Douglas, on the 14th January 1853, reports further, that the brig "Susan Sturges" had been captured by the Indians on the north-east coast of Queen Charlotte's Island in the month of September, who plundered and burned the vessel, and made slaves of the crew. They were rescued by the company through Mr. Chief Factor Work at considerable expense, which the master of the vessel promised to reimburse on his arrival at San Francisco, a promise up to the date of last advices not performed.

QUEEN CHARLOTTE'S ISLAND.

COPIES or EXTRACTS of CORRESPONDENCE relative to the DISCOVERY of GOLD at *Queen Charlotte's Island.*

(*Mr. Peel.*)

Ordered, by The House of Commons, *to be Printed,* 9 *August* 1853.

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Under 2 *oz.*